

IN RE:
VICTOR E DE LEON MORALES

CASE NO. 10-03512-SEK

CHAPTER 13

DEBTOR (S)

**TRUSTEE'S UNFAVORABLE REPORT
ON PROPOSED PLAN CONFIRMATION UNDER §1325**

TO THE HONORABLE COURT: NOW COMES, José R. Carrión, Chapter 13 Trustee, and very respectfully alleges and prays:

This is the Trustee's position regarding the request, under **11 U.S.C. §1325**, for the confirmation of a Chapter 13 Plan.

Debtor(s)' Income: **Under Median / 36 months commitment period.**

Gen Unsecured Pool: **\$0.00**

The **LIQUIDATION VALUE** of the estate has been determined in **\$150,021.00**

R2016 STM. \$3,000.00

TOTAL ATTORNEYS FEES THRU PLAN: \$2,484.00 Fees paid: \$0.00 Fees Outstanding: \$2,484.00
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With respect to the proposed (amended) Plan dated: **April 28, 2010** (Dkt 2).

Plan Base: **\$2,000.00**

The proposed (amended) plan can not be confirmed because it has the following deficiencies:

- Plan NOT proposed in GOOD FAITH [§1325(a)(3)]

Debtor proposes to make a lump sum payment of \$25,000 from the refinancing of his property by Month 36 of the plan. Debtor needs to pay his creditors 100% + 6% because of the Estate's higher liquidation value. If Debtor in good faith will make such lump sum, he must propose such refinance transaction to occur by Month 18 of the Plan.

- Insufficiently Funded : Fails CREDITORS' BEST INTEREST TEST [§1325(a)(4)]

Plan is insufficiently funded to pay unsecured creditors the amount equivalent to the Estate's hypothetical liquidation value, to which the Trustee objects. Since the Estate's liquidation value is higher than the general unsecured claims, Debtor must pay 100% + 6% of general unsecured claims as well as the IRS' secured claim. For such purpose, the Minimum required base is of \$267,000.

- Feasibility [§1325(a)(6)]: Default in payments to Trustee.

Debtor is in arrears of \$450.00 under the proposed amended plan, equal to 1 monthly installment, without considering the July 2010 installment which is almost due.

- Feasibility [§1325(a)(5)]: Plan fails to provide for an allowed secured claim.

The Plan fails to provide for the IRS's Secured Claim No. 5-1.

Due to the above described deficiencies in the proposed plan the Trustee Objects to the Confirmation of the same.

CERTIFICATE OF SERVICE: The Chapter 13 Trustee herewith certifies that a copy of this motion has been served via first class mail on the same date it is filed to: the DEBTOR(s), and to her/his/their attorney through CM-ECF notification system.

In San Juan, Puerto Rico this July 20, 2010.

/s/ Jose R. Carrion

/s/ Carlos Alsina -Staff Attorney

JOSE R. CARRION
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